AMENDED IN ASSEMBLY SEPTEMBER 2, 2003 AMENDED IN ASSEMBLY JUNE 9, 2003 AMENDED IN SENATE MARCH 25, 2003

SENATE BILL

No. 306

Introduced by Senator Ducheny

February 19, 2003

An act to amend Sections 17021.7, 17951, 18013.4, 18045.5, 18214, 18300, 18862.39, 18862.47, 18865, 19971, 50517.5, 50781, and 50786 of the Health and Safety Code, relating to mobilehome parks mobilehomes and manufactured homes, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 306, as amended, Ducheny. Mobilehome parks: Mobilehome Park Purchase Fund Mobilehomes and manufactured homes.

(1) The State Housing Law authorizes cities and counties to prescribe fees for specified activities. Those provisions declare that they do not prohibit the use of, among other things, a manufactured home, and other specified materials, appliances, installations, devices, arrangements, and methods of construction.

This bill would specify that those provisions do not prohibit the use of a multiunit manufactured home. The bill would also authorize the city or county to approve certain alternate materials, appliances, installations, devices, arrangements, and methods of construction on a case-by-case basis.

(2) The Mobilehome Parks Act generally regulates various classifications of mobilehome and related vehicle parks and imposes related duties on the Department of Housing and Community

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Development and local enforcement agencies. The act also excludes from the definition of a "mobilehome park" an area or tract of land zoned for agricultural purposes, as specified, that accommodates manufactured homes, mobilehomes, or recreational vehicles for housing 12 or fewer agricultural employees.

This bill would instead provide that an area or tract of land zoned for agricultural purposes, as specified, to accommodate 12 or fewer manufactured homes, mobilehomes, or recreational vehicles for housing agricultural employees is not deemed to be a mobilehome park.

The bill would also revise the definitions of "recreational vehicle park" and "temporary recreational vehicle park" to, among other things, expand an exemption for the housing of agricultural employees.

The act authorizes the department to enforce plan review activities through department-approved plan checking agencies.

This bill would delete that authority.

(3) The Mobilehomes-Manufactured Housing Act of 1980 requires a dealer to keep its established place of business open for inspection of records

This bill would require any other location where records are kept to be open for inspection during normal business hours.

(4) Existing law authorizes the Department of Housing and Community Development to make loans from the Mobilehome Park Purchase Fund to mobilehome park residents, to resident organizations to finance conversion of the parks to resident ownership, or to qualified nonprofit housing sponsors and local public entities for the conversion of parks to ownership by those nonprofit sponsors or local public entities. The Mobilehome Park Purchase Fund is continuously appropriated to the department for the purpose of providing these loans and for related administrative costs.

This bill would revise the definition of "qualified nonprofit housing sponsor" to include a limited partnership where all of the general partners are nonprofit mutual or public benefit corporations.

This bill would make an appropriation by authorizing the expenditure of money in the Mobilehome Park Purchase Fund for loans to an additional category of housing sponsors.

(5) Existing law requires the department to release individual spaces in a mobilehome park from a regulatory agreement made in connection with those loans from the Mobilehome Park Purchase Fund only if they are purchased by low-income residents who occupy them.

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This bill would delete the requirement that the occupants be low-income residents.

(6) Existing law requires the Department of Housing and Community Development to establish the Joe Serna, Jr. Farmworker Housing Grant Program under which, subject to the availability of funds therefor, grants or loans, or both, are to made to local public entities, nonprofit corporations, and limited partnerships, for the construction or rehabilitation of housing for agricultural employees and their families. Grants or loans may also be made for the cost of acquiring the land and any building thereon in connection with the housing assisted pursuant to the program and for the construction and rehabilitation of related support facilities necessary to the housing.

This bill would specify that those grants or loans may be made for the acquisition of manufactured housing, as specified.

Vote: $^{2}/_{3}$. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- SECTION 1. Section 17021.7 of the Health and Safety Code is amended to read:
- 3 17021.7. Notwithstanding subdivision (b) of Section 18214,
- 4 subdivision (b) of Section 18862.39, and subdivision (b) of
- 5 Section 18862.47, mobilehomes and recreational vehicles used to
- 6 house agricultural employees shall be maintained in conformity 7 with the applicable requirements of the Mobilehome Parks Act
- 8 (Part 2.1 (commencing with Section 18200)).

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- 9 SEC. 2. Section 17951 of the Health and Safety Code is 10 amended to read:
 - 17951. (a) The governing body of any county or city, including a charter city, may prescribe fees for permits, certificates, or other forms or documents required or authorized by this part or rules and regulations adopted pursuant to this part.
- 15 (b) The governing body of any county or city, including a 16 charter city, or fire protection district, may prescribe fees to defray 17 the costs of enforcement required by this part to be carried out by 18 local enforcement agencies.
- 19 (c) The amount of the fees prescribed pursuant to subdivisions 20 (a) and (b) shall not exceed the amount reasonably required to 21 administer or process these permits, certificates, or other forms or

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documents, or to defray the costs of enforcement required by this part to be carried out by local enforcement agencies, and shall not be levied for general revenue purposes. The fees shall be imposed pursuant to Section 66016 of the Government Code.

- (d) (1) The provisions of this part are not intended to prevent the use of any manufactured home, mobilehome, multiunit manufactured home, material, appliance, installation, device, arrangement, or method of construction not specifically prescribed by the California Building Standards Code or this part, provided that this alternate has been approved by the building department.
- (2) The building department of any city or county may approve an alternate material, appliance, installation, device, arrangement, method, or work on a case-by-case basis if it finds that the proposed design is satisfactory and that each such material, appliance, installation, device, arrangement, method, or work offered is, for the purpose intended, at least the equivalent of that prescribed in the California Building Standards Code or this part in performance, safety, and for the protection of life and health.
- (3) The building department of any city or county shall require evidence that any material, appliance, installation, device, arrangement, or method of construction conforms to, or that the proposed alternate is at least equivalent to, the requirements of this part, building standards published in the California Building Standards Code, or the other rules and regulations promulgated pursuant to this part and in order to substantiate claims for alternates, the building department of any city or county may require tests as proof of compliance to be made at the expense of the owner or the owner's agent by an approved testing agency selected by the owner or the owner's agent.
- SEC. 3. Section 18013.4 of the Health and Safety Code is 32 amended to read:
- 33 18013.4. "Truck camper" means a slide-in camper as defined 34 in Section 18012.4.
- SEC. 4. Section 18045.5 of the Health and Safety Code is 36 amended to read:
- 37 18045.5. (a) The department shall not issue a manufacturer, 38 distributor, or dealer license to any applicant therefor who does not have an established place of business.

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(b) In the case of a dealer or distributor, the established place of business shall have an office located within the State of California. In the case of a manufacturer, the established place of business shall have a manufacturing area defined by department regulations situated on the same property. When a room or rooms in a hotel, roominghouse, apartment house building, or a part of any single-unit or multiple-unit dwelling house is used as an office or offices of an established place of business, the room or rooms shall be devoted exclusively to, and occupied for, the office or offices of the licensee, shall be located on the ground floor, and shall provide a direct entrance into the room or rooms from the exterior of the building.

- (c) The established place of business shall be open for inspection of the premises, pertinent records, and manufactured homes, mobilehomes, or commercial coaches by any department representative during business hours. If records are kept at a location other than the principal dealer business location, that other location shall be open for inspection of the premises and pertinent records during normal business hours.
- SEC. 5. Section 18214 of the Health and Safety Code, as amended by Section 6 of Chapter 434 of the Statutes of 2001, is amended to read:
- 18214. (a) "Mobilehome park" is any area or tract of land where two or more lots are rented or leased, held out for rent or lease, or were formerly held out for rent or lease and later converted to a subdivision, cooperative, condominium, or other form of resident ownership, to accommodate manufactured homes, mobilehomes, or recreational vehicles used for human habitation. The rental paid for a manufactured home, a mobilehome, or a recreational vehicle shall be deemed to include rental for the lot it occupies. This subdivision shall not be construed to authorize the rental of a mobilehome park space for the accommodation of a recreational vehicle in violation of Section 798.22 of the Civil Code.
- (b) Notwithstanding subdivision (a), an area or tract of land zoned for agricultural purposes where two or more lots are rented or leased, held out for rent or lease, or provided as a term or condition of employment, to accommodate 12 or fewer manufactured homes, mobilehomes, or recreational vehicles used for the purpose of housing agricultural employees shall not be

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deemed a mobilehome park for the purposes of the requirement to obtain an initial or annual permit to operate or pay any related fees required by this part.

- (c) Notwithstanding subdivision (a), an area or tract of land shall not be deemed a mobilehome park if the structures on it consist of residential structures that are rented or leased, or held out for rent or lease, if those residential structures meet both of the following requirements:
- (1) The residential structures are manufactured homes 10 constructed pursuant to the National Manufactured Housing Construction and Safety Act of 1974 (42 U.S.C. Sec. 5401 et seq.) or mobilehomes containing two or more dwelling units for human habitation.
 - (2) Those manufactured homes or mobilehomes have been approved by a city, county, or city and county pursuant to subdivision (d) of Section 17951 as an alternate which is at least the equivalent to the requirements prescribed in the California Building Standards Code or Part 1.5 (commencing with Section 17910) in performance, safety, and for the protection of life and health.
 - SEC. 6. Section 18300 of the Health and Safety Code, as amended by Section 4 of Chapter 413 of the Statutes of 1993, is amended to read:
 - 18300. (a) This part applies to all parts of the state and supersedes any ordinance enacted by any city, county, or city and county, whether general law or chartered, applicable to this part. Except as provided in Section 18930, the department may adopt regulations to interpret and make specific this part and, when adopted, the regulations shall apply to all parts of the state.
 - (b) Upon 30 days' written notice from the governing body to the department, any city, county, or city and county may assume the responsibility for the enforcement of this part and the regulations adopted pursuant to this part following approval by the department for the assumption.
 - (c) The department shall adopt regulations that set forth the conditions for assumption and may include required qualifications of local enforcement agencies. The conditions set forth and the qualifications required in the regulations shall relate solely to the ability of local agencies to enforce properly this part and the regulations adopted pursuant to this part. The regulations shall not

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set forth requirements for local agencies different than those that the state maintains for its own enforcement program. When assumption is approved, the department shall transfer the responsibility for enforcement to the city, county, or city and county, together with all records of parks within the jurisdiction of the city, county, or city and county.

- (d) (1) In the event of nonenforcement of this part or the regulations adopted pursuant to this part by a city, county, or city and county, the department shall enforce this part and the regulations adopted pursuant to this part in the city, county, or city and county, after the department has given written notice to the governing body of the city, county, or city and county, setting forth in what respects the city, county, or city and county has failed to discharge its responsibility, and the city, county, or city and county has failed to initiate corrective measures to carry out its responsibility within 30 days of the notice.
- (2) Where the department determines that the local enforcement agency is not properly enforcing this part, the local enforcement agency may appeal the decision to the director of the department.
- (e) Any city, city and county, or county, upon written notice from the governing body to the department, may cancel its assumption of responsibility for the enforcement of this part. The department, upon receipt of the notice, shall assume responsibility within 30 days.
- (f) Every city, county, or city and county, within its jurisdiction, shall enforce this part and the regulations adopted pursuant to this part, as they relate to manufactured homes, mobilehomes, or recreational vehicles and to accessory buildings or structures located in both of the following areas:
- (1) Inside of parks while the city, county, or city and county has assumed responsibility for enforcement of this part.
 - (2) Outside of parks.

- (g) This part shall not prevent local authorities of any city, county, or city and county, within the reasonable exercise of their police powers, from doing any of the following:
- (1) From establishing, subject to the requirements of Sections 65852.3 and 65852.7 of the Government Code, certain zones for manufactured homes, mobilehomes, mobilehome parks, and special occupancy parks within the city, county, or city and county,

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or establishing types of uses and locations, including family mobilehome parks, senior mobilehome parks, mobilehome condominiums, mobilehome subdivisions, or mobilehome planned unit developments within the city, county, or city and county, as defined in the zoning ordinance, or from adopting rules and regulations by ordinance or resolution prescribing park perimeter walls or enclosures on public street frontage, signs, access, and vehicle parking or from prescribing the prohibition of certain uses for mobilehome parks or special occupancy parks.

- (2) From regulating the construction and use of equipment and facilities located outside of a manufactured home, mobilehome, or recreational vehicle used to supply gas, water, or electricity thereto, except facilities owned, operated, and maintained by a public utility, or to dispose of sewage or other waste therefrom when the facilities are located outside a park for which a permit is required by this part or the regulations adopted pursuant thereto.
- (3) From requiring a permit to use a manufactured home, mobilehome, or recreational vehicle outside a park for which a permit is required by this part or by regulations adopted pursuant thereto, and require a fee therefor by local ordinance commensurate with the cost of enforcing this part and local ordinance with reference to the use of manufactured homes, mobilehomes, and recreational vehicles, which permit may be refused or revoked if the use violates this part or Part 2 (commencing with Section 18000), any regulations adopted pursuant thereto, or any local ordinance applicable to that use.
- (4) From requiring a local building permit to construct an accessory structure for a manufactured home or mobilehome when the manufactured home or mobilehome is located outside a mobilehome park, recreational vehicle park, or temporary recreational vehicle park, under circumstances which the provisions of this part or Part 2 (commencing with Section 18000) and the regulations adopted pursuant thereto do not require the issuance of a permit therefor by the department.
- (5) From authorizing the creation, movement, shifting, or alteration of mobilehome park lot lines as specified in Section 18610.5.
- (6) From prescribing and enforcing setback and separation requirements governing the installation of a manufactured home,

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mobilehome, or mobilehome accessory structure or building installed outside of a mobilehome park or special occupancy park.

- (h) (1) A city, including a charter city, county, or city and county, shall not require the average density in a new park to be less than that permitted by the applicable zoning ordinance, plus any density bonus, as defined in Section 65915 of the Government Code, for other affordable housing forms.
- (2) A city, including a charter city, county, or city and county, shall not require a new park to include a clubhouse. Recreational facilities, recreational areas, accessory structures, or improvements may be required only to the extent that the facilities or improvements are required in other types of residential developments containing a like number of residential dwelling units.
- (3) A city, including a charter city, county, or city and county, shall not require the setback and separation requirements authorized by paragraph (6) of subdivision (g) to be greater than those permitted by applicable ordinances for other housing forms.
- SEC. 7. Section 18300 of the Health and Safety Code, as amended by Section 17 of Chapter 434 of the Statutes of 2001, is amended to read:
- 18300. (a) This part applies to all parts of the state and supersedes any ordinance enacted by any city, county, or city and county, whether general law or chartered, applicable to this part. Except as provided in Section 18930, the department may adopt regulations to interpret and make specific this part and, when adopted, the regulations shall apply to all parts of the state.
- (b) Upon 30 days' written notice from the governing body to the department, any city, county, or city and county may assume the responsibility for the enforcement of both this part and Part 2.3 (commencing with Section 18860) and the regulations adopted pursuant to this part and Part 2.3 (commencing with Section 18860) following approval by the department for the assumption.
- (c) The department shall adopt regulations that set forth the conditions for assumption and may include required qualifications of local enforcement agencies. The conditions set forth and the qualifications required in the regulations shall relate solely to the ability of local agencies to enforce properly this part and the regulations adopted pursuant to this part. The regulations shall not set forth requirements for local agencies different than those that

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the state maintains for its own enforcement program. When assumption is approved, the department shall transfer the responsibility for enforcement to the city, county, or city and county, together with all records of parks within the jurisdiction of the city, county, or city and county.

- (d) (1) In the event of nonenforcement of this part or the regulations adopted pursuant to this part by a city, county, or city and county, the department shall enforce both this part and Part 2.3 (commencing with Section 18860) and the regulations adopted pursuant to this part and Part 2.3 (commencing with Section 18860) in the city, county, or city and county, after the department has given written notice to the governing body of the city, county, or city and county, setting forth in what respects the city, county, or city and county has failed to discharge its responsibility, and the city, county, or city and county has failed to initiate corrective measures to carry out its responsibility within 30 days of the notice.
- (2) Where the department determines that the local enforcement agency is not properly enforcing this part or Part 2.3 (commencing with Section 18860), the local enforcement agency may appeal the decision to the director of the department.
- (e) Any city, city and county, or county, upon written notice from the governing body to the department, may cancel its assumption of responsibility for the enforcement of both this part and Part 2.3 (commencing with Section 18860). The department, upon receipt of the notice, shall assume responsibility within 30 days.
- (f) Every city, county, or city and county, within its jurisdiction, shall enforce this part and the regulations adopted pursuant to this part, as they relate to manufactured homes, mobilehomes, or recreational vehicles, and to accessory buildings or structures located in both of the following areas:
- (1) Inside of parks while the city, county, or city and county has assumed responsibility for enforcement of both this part and Part 2.3 (commencing with Section 18860).
 - (2) Outside of parks.
- (g) This part shall not prevent local authorities of any city, county, or city and county, within the reasonable exercise of their police powers, from doing any of the following:

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(1) From establishing, subject to the requirements of Sections 65852.3 and 65852.7 of the Government Code, certain zones for manufactured homes, mobilehomes, and mobilehome parks within the city, county, or city and county, or establishing types of uses and locations, including family mobilehome parks, senior mobilehome parks, mobilehome condominiums, mobilehome subdivisions, or mobilehome planned unit developments within the city, county, or city and county, as defined in the zoning ordinance, or from adopting rules and regulations by ordinance or resolution prescribing park perimeter walls or enclosures on public street frontage, signs, access, and vehicle parking or from prescribing the prohibition of certain uses for mobilehome parks.

- (2) From regulating the construction and use of equipment and facilities located outside of a manufactured home or mobilehome used to supply gas, water, or electricity thereto, except facilities owned, operated, and maintained by a public utility, or to dispose of sewage or other waste therefrom when the facilities are located outside a park for which a permit is required by this part or the regulations adopted pursuant thereto.
- (3) From requiring a permit to use a manufactured home or mobilehome outside a park for which a permit is required by this part or by regulations adopted pursuant thereto, and require a fee therefor by local ordinance commensurate with the cost of enforcing this part and local ordinance with reference to the use of manufactured homes and mobilehomes, which permit may be refused or revoked if the use violates this part or Part 2 (commencing with Section 18000), any regulations adopted pursuant thereto, or any local ordinance applicable to that use.
- (4) From requiring a local building permit to construct an accessory structure for a manufactured home or mobilehome when the manufactured home or mobilehome is located outside a mobilehome park, under circumstances when this part or Part 2 (commencing with Section 18000) and the regulations adopted pursuant thereto do not require the issuance of a permit therefor by the department.
- (5) From authorizing the creation, movement, shifting, or alteration of mobilehome park lot lines as specified in Section 18610.5.
- (6) From prescribing and enforcing setback and separation requirements governing the installation of a manufactured home,

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mobilehome, or mobilehome accessory structure or building installed outside of a mobilehome park.

- (h) (1) A city, including a charter city, county, or city and county, shall not require the average density in a new park to be less than that permitted by the applicable zoning ordinance, plus any density bonus, as defined in Section 65915 of the Government Code, for other affordable housing forms.
- (2) A city, including a charter city, county, or city and county, shall not require a new park to include a clubhouse. Recreational facilities, recreational areas, accessory structures, or improvements may be required only to the extent that the facilities or improvements are required in other types of residential developments containing a like number of residential dwelling units.
- (3) A city, including a charter city, county, or city and county, shall not require the setback and separation requirements authorized by paragraph (6) of subdivision (g) to be greater than those permitted by applicable ordinances for other housing forms.
- SEC. 8. Section 18862.39 of the Health and Safety Code is amended to read:
- 18862.39. (a) "Recreational vehicle park" is any area or tract of land, or a separate designated section within a mobilehome park where two or more lots are rented, leased, or held out for rent or lease, or were formerly held out for rent or lease and later converted to a subdivision, cooperative, condominium, or other form of resident ownership, to accommodate owners or users of recreational vehicles, camping cabins, or tents.
- (b) Notwithstanding subdivision (a), an area or tract of land zoned for agricultural purposes where two or more lots are rented, leased, or held out for rent or lease to accommodate owners or users of 12 or fewer recreational vehicles for the purpose of housing agricultural employees shall not be deemed a recreational vehicle park for the purposes of the requirement to obtain an initial or annual permit to operate or pay any fees related thereto required by this part.
- 36 SEC. 9. Section 18862.47 of the Health and Safety Code is amended to read:
 - 18862.47. (a) "Temporary recreational vehicle park" is any area or tract of land where two or more lots are rented, leased, or held out for rent or lease to owners or users of recreational vehicles

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and that is established for one operation not to exceed 11 consecutive days, and is then removed.

- (b) Notwithstanding subdivision (a), an area or tract of land zoned for agricultural purposes where two or more lots are rented, leased, or held out for rent or lease to accommodate owners or users of 12 or fewer recreational vehicles for the purpose of housing agricultural employees shall not be deemed a temporary recreational vehicle park for the purposes of the requirement to obtain an initial or annual permit to operate or pay any fees related thereto required by this part.
- SEC. 10. Section 18865 of the Health and Safety Code is amended to read:
- 18865. (a) This part applies to all parts of the state and supersedes any ordinance enacted by any city, county, or city and county, whether general law or chartered, applicable to this part. Except as provided in Section 18930, the department may adopt regulations to interpret and make specific this part and, when adopted, the regulations shall apply to all parts of the state.
- (b) Upon 30 days' written notice from the governing body to the department, any city, county, or city and county may assume the responsibility for the enforcement of both this part and Part 2.1 (commencing with Section 18200) and the regulations adopted pursuant to this part following approval by the department for the assumption.
- (c) The department shall adopt regulations that set forth the conditions for assumption and may include required qualifications of local enforcement agencies. The conditions set forth and the qualifications required in the regulations shall relate solely to the ability of local agencies to enforce properly this part and the regulations adopted pursuant to this part. The regulations shall not set forth requirements for local agencies different than those that the state maintains for its own enforcement program. When assumption is approved, the department shall transfer the responsibility for enforcement to the city, county, or city and county, together with all records of special occupancy parks within the jurisdiction of the city, county, or city and county.
- (d) (1) In the event of nonenforcement of this part or the regulations adopted pursuant to this part by a city, county, or city and county, the department shall enforce both this part and Part 2.1 (commencing with Section 18200) and the regulations adopted

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pursuant to this part and Part 2.1 in the city, county, or city and county, after the department has given written notice to the governing body of the city, county, or city and county setting forth in what respects the city, county, or city and county has failed to discharge its responsibility, and the city, county, or city and county has failed to initiate corrective measures to carry out its responsibility within 30 days of the notice.

- (2) Where the department determines that the local enforcement agency is not properly enforcing this part, the local enforcement agency may appeal the decision to the director of the department.
- (e) Any city, city and county, or county, upon written notice from the governing body to the department, may cancel its assumption of responsibility for the enforcement of both this part and Part 2.1 (commencing with Section 18200). The department, upon receipt of the notice, shall assume responsibility within 30 days.
- (f) Every city, county, or city and county shall, within its jurisdiction, enforce this part and the regulations adopted pursuant to this part, as they relate to recreational vehicles and to accessory buildings or structures located in both of the following areas: (1) inside of parks where the city, county, or city and county has assumed responsibility for enforcement of both this part and Part 2.1 (commencing with Section 18200), and (2) outside of parks.
- (g) This part shall not prevent local authorities of any city, county, or city and county, within the reasonable exercise of their police powers, from doing any of the following:
- (1) Establishing, subject to the requirements of Sections 65852.3 and 65852.7 of the Government Code, certain zones for special occupancy parks within the city, county, or city and county, as defined in the zoning ordinance, or from adopting rules and regulations by ordinance or resolution prescribing park perimeter walls or enclosures on public street frontage, signs, access, and vehicle parking or from prescribing the prohibition of certain uses for special occupancy parks.
- (2) Regulating the construction and use of equipment and facilities located outside of a recreational vehicle used to supply gas, water, or electricity thereto, except facilities owned, operated, and maintained by a public utility, or to dispose of sewage or other waste therefrom when the facilities are located outside a park for

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which a permit is required by this part or the regulations adopted pursuant thereto.

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- (3) Requiring a permit to use a recreational vehicle outside a park for which a permit is required by this part or by regulations adopted pursuant thereto, and require a fee therefor by local ordinance commensurate with the cost of enforcing this part and local ordinance with reference to the use of recreational vehicles, which permit may be refused or revoked if the use violates this part or Part 2 (commencing with Section 18000), any regulations adopted pursuant thereto, or any local ordinance applicable to that use or Part 2.1 (commencing with Section 18200).
- (4) Authorizing the creation, movement, shifting, or alteration of park lot lines as specified in Section 18872.1.
- (h) A city, including a charter city, county, or city and county, shall not require a new park to include a clubhouse. Recreational facilities, recreational areas, accessory structures, or improvements may be required only to the extent that the facilities or improvements are required in other types of similar recreational facilities, if any, in the city, county, or city and county.
- SEC. 11. Section 19971 of the Health and Safety Code is amended to read:
- 19971. "Factory-built housing" means a residential building, dwelling unit, or an individual dwelling room or combination of rooms thereof, or building component, assembly, or system manufactured in such a manner that all concealed parts or processes of manufacture cannot be inspected before installation at the building site without disassembly, damage, or destruction of the part, including units designed for use as part of an institution for resident or patient care, that is either wholly manufactured or is in substantial part manufactured at an offsite location to be wholly or partially assembled onsite in accordance with building standards published in the California Building Standards Code and other regulations adopted by the commission pursuant to Section 19990. Factory-built housing does not include a mobilehome, as defined in Section 18008, a recreational vehicle, as defined in Section 18010.5, or a commercial modular, as defined in Section 18012.5.
- SEC. 11.5. Section 50517.5 of the Health and Safety Code is amended to read:

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50517.5. (a) (1) The department shall establish the Joe Serna, Jr. Farmworker Housing Grant Program under which, subject to the availability of funds therefor, grants or loans, or both, shall be made to local public entities, nonprofit corporations, and limited partnerships, for the construction or rehabilitation of housing for agricultural employees and their families or for the acquisition of manufactured housing as part of a program to address and remedy the impacts of current and potential displacement of farmworker families from existing labor camps, mobilehome parks, or other housing. Under this program, grants or loans, or both, may also be made for the cost of acquiring the land and any building thereon in connection with housing assisted pursuant to this section and for the construction and rehabilitation of related support facilities necessary to the housing. In its administration of this program, the department shall disburse grants or loans, or both, to the local public entities, nonprofit corporations, or limited partnerships or may, at the request of the local public entity, nonprofit corporation, or limited partnership that sponsors and supervises the rehabilitation or construction program, disburse grant funds to agricultural employees who are participants in a rehabilitation or construction program sponsored and supervised by the local public entity, nonprofit corporation, or limited partnership. No part of a grant or loan made pursuant to this section may be used for project organization or planning.

- (2) Notwithstanding any other provision of this chapter, upon the request of a grantee, if funds are used in conjunction with low-income housing tax credits, the program also may loan funds to a grantee at no more than 3 percent simple interest. Principal and accumulated interest is due and payable upon completion of the term of the loan. For any loan made pursuant to this subdivision, the performance requirements of the lien shall remain in effect for a period of no less than the original term of the loan.
- (3) The program shall be administered by the Director of Housing and Community Development and officers and employees of the department as he or she may designate.
- (b) (1) The Joe Serna, Jr. Farmworker Housing Grant Fund is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, all money in the fund is continuously appropriated to the department for making grants or loans, or both, pursuant to this section and Section 50517.10, for

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purposes of Chapter 8.5 (commencing with Section 50710), and for costs incurred by the department in administering these programs.

(2) There shall be paid into the fund the following:

- (A) Any moneys appropriated and made available by the Legislature for purposes of the fund.
- (B) Any moneys that the department receives in repayment or return of grants or loans from the fund, including any interest therefrom.
- (C) Any other moneys that may be made available to the department for the purposes of this chapter from any other source or sources.
- (D) All moneys appropriated to the department for the purposes of Chapter 8.5 (commencing with Section 50710) and any moneys received by the department from the occupants of housing or shelter provided pursuant to Chapter 8.5 (commencing with Section 50710). These moneys shall be separately accounted for from the other moneys deposited in the fund.
- (c) Grants and loans made pursuant to this section shall be matched by grantees with at least equal amounts of federal moneys, other cash investments, or in-kind contributions.
- (d) With respect to the supervision of grantees, the department shall do the following:
- (1) Establish minimum capital reserves to be maintained by grantees.
- (2) Fix and alter from time to time a schedule of rents that may be necessary to provide residents of housing assisted pursuant to this section with affordable rents to the extent consistent with the maintenance of the financial integrity of the housing project. No grantee shall increase the rent on any unit constructed or rehabilitated with the assistance of funds provided pursuant to this section without the prior permission of the department, which shall be given only if the grantee affirmatively demonstrates that the increase is required to defray necessary operating costs or avoid jeopardizing the fiscal integrity of the housing project.
- (3) Determine standards for, and control selection by grantees of, tenants and subsequent purchasers of housing constructed or rehabilitated with the assistance of funds provided pursuant to this section.

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(4) (A) Require as a condition precedent to a grant or loan, or both, of funds that the applicant have site control that is satisfactory to the department; that the grantee be record owner in fee of the assisted real property or provide other security including a lien on the manufactured home that is satisfactory to the department to ensure compliance with the construction, financial, and program obligations; and that the grantee shall have entered into a written agreement with the department binding upon the grantee and successors in interest to the grantee. The agreement shall include the conditions under which the funds advanced may be repaid. The agreement shall include provisions for a lien on the assisted real property or manufactured home in favor of the State of California for the purpose of securing performance of the agreement. The agreement shall also provide that the lien shall endure until released by the Director of Housing and Community Development.

- (B) In the event that funds granted or loaned pursuant to this section constitute less than 25 percent of the total development cost or value, whichever is applicable, of a project assisted under this section, the department may adopt, by regulation, criteria for determining the number of units in a project to which the restrictions on occupancy contained in the agreement apply. In no event may these regulations provide for the application of the agreement to a percentage of units in a project that is less than the percentage of total development costs that funds granted or loaned pursuant to this section represent.
- (C) Contemporaneously with the disbursement of the initial funds to a grantee, the department shall cause to be recorded, in the office of the county recorder of the county in which the assisted real property is located, a notice of lien executed by the Director of Housing and Community Development. The notice of lien shall refer to the agreement required by this paragraph for which it secures and it shall include a legal description of the assisted real property that is subject to the lien. The notice of lien shall be indexed by the recorder in the Grantor Index to the name of the grantee and in the Grantee Index to the name of the State of California, Department of Housing and Community Development. For manufactured housing, the liens shall be recorded by the department in the same manner as other manufactured housing liens are recorded. The department shall

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adopt by regulation criteria for the determination of the lien period. This regulation shall take into account whether the property is held by multifamily rental, single-family ownership, or cooperative ownership and whether it is new construction or rehabilitative construction. The lien period for manufactured housing liens for manufactured homes shall not exceed 10 years.

- (D) Pursuant to regulations adopted by the department, the department may execute and cause to be recorded in the office of the recorder of the county in which a notice of lien has been recorded, or the department, as appropriate, a subordination of the lien. The regulations adopted by the department shall provide that any subordination of the lien shall not jeopardize the security interest of the state and shall further the interest of farmworker housing. The recitals contained in the subordination shall be conclusive in favor of any bona fide purchaser or lender relying thereon.
- (E) Prior to funds granted pursuant to this section being used to finance the acquisition of a manufactured home, the grantee shall ensure that the home either is already installed in a location where it will be occupied by the eligible household or that a location has been leased or otherwise made available for the manufactured home to be occupied by the eligible household.
- (5) Regulate the terms of occupancy agreements or resale controls, to be used in housing assisted pursuant to this section.
- (6) Provide bilingual services and publications, or require grantees to do so, as necessary to implement the purposes of this section.
- (7) The agreement between the department and the grantee shall provide, among other things, that both of the following occur:
- (A) Upon the sale or conveyance of the real property, or any part thereof, for use other than for agricultural employee occupancy, the grantee or its successors shall, as a condition for the release of the lien provided pursuant to paragraph (4), repay to the fund the department's grant and loan funds.
- (B) Upon the sale or conveyance of the real property or any part thereof for continued agricultural employee occupancy, the transferee shall assume the obligation of the transferor and the real property shall be transferred to the new owner; provided that the transferee agrees to abide by the agreement entered into between the transferor and the department and that the new owner takes the

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property subject to the lien provided pursuant to paragraph (4), except that this lien shall, at the time of the transfer of the property to the new owner, be extended for an additional lien period determined by the department pursuant to paragraph (4), and the 5 new owner shall not be credited with the lien period that had run 6 from the time the transferor had acquired the property to the time of transfer to the new owner, unless the department determines that it is in the best interest of the state and consistent with the intent 9 of this section to so credit the lien period to the new owner. However, the lien shall have priority as of the recording date of the 10 lien for the original grantee, pursuant to paragraph (4). 11

- (e) The department may do any of the following with respect to grantees:
- (1) Through its agents or employees enter upon and inspect the lands, buildings, and equipment of a grantee, including books and records, at any time before, during, or after construction or rehabilitation of units assisted pursuant to this section. However, there shall be no entry or inspection of any unit that is occupied, whether or not any occupant is actually present, without the consent of the occupant.
- (2) Supervise the operation and maintenance of any housing assisted pursuant to this section and order repairs as may be necessary to protect the public interest or the health, safety, or welfare of occupants of the housing.
- (f) The department shall include in its annual report required by Section 50408, a current report of the Joe Serna, Jr. Farmworker Housing Grant Program. The report shall include, but need not be limited to, (1) the number of households assisted, (2) the average income of households assisted and the distribution of annual incomes among assisted households, (3) the rents paid by households assisted, (4) the number and amount of grants or loans, or both, made to each grantee in the preceding year, (5) the dollar value of funding derived from sources other than the state for each project receiving a grant or loan, or both, under this section, and an identification of each source, (6) recommendations, as needed, to improve operations of the program and respecting the desirability of extending its application to other groups in rural areas identified by the department as having special need for state housing assistance, and (7) the number of manufactured housing units assisted under this section.

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(g) As used in this section:

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- (1) "Agricultural employee" has the same meaning as specified in subdivision (b) of Section 1140.4 of the Labor Code, but also includes any person who works at a packing shed for a labor contractor or other entity that contracts with an agricultural employer in order to perform services in connection with handling, drying, packing, or storing any agricultural commodity in its raw or natural state, whether or not this person is encompassed within the definition specified in subdivision (b) of Section 1140.4 of the Labor Code.
- (2) "Grantee" means the local public entity, nonprofit corporation, or limited partnership that is awarded the grant or loan, or both, under this section, and, at the request thereof, may include an agricultural employee receiving direct payment of a grant for rehabilitation under this section who occupies the assisted housing both before and after the rehabilitation and may include an agricultural employee receiving direct payment of a grant for construction under this section who will occupy the assisted housing and who is a participant in a rehabilitation or construction program sponsored and supervised by a local public entity, nonprofit corporation, or limited partnership.
- (3) "Housing" may include, but is not necessarily limited to, conventionally constructed units and manufactured housing installed pursuant to either Section 18551 or 18613.
- (4) "Limited partnership" means a limited partnership where all of the general partners are nonprofit mutual or public benefit corporations.
- (h) The department may provide the assistance offered pursuant to this chapter in any area where there is a substantial unmet need for farmworker housing.
- SEC. 12. Section 50781 of the Health and Safety Code is amended to read:
- 50781. Unless the context otherwise requires, the following definitions given in this section shall control construction of this chapter:
- (a) "Affordable" means that, where feasible, low-income residents should not pay more than 30 percent of their monthly income for housing costs.
- (b) "Conversion costs" includes the cost of acquiring the 40 mobilehome park, the costs of planning and processing the

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conversion, the costs of any needed repairs or rehabilitation, and any expenditures required by a governmental agency or lender for the project.

- (c) "Department" means the Department of Housing and Community Development.
- (d) "Fund" means the Mobilehome Park Purchase Fund created pursuant to Section 50782.
- (e) "Housing costs" means the total cost of owning, occupying, and maintaining a mobilehome and a lot or space in a mobilehome park. The department's regulations shall specify the factors included in these costs and may, for the purposes of calculating affordability, establish reasonable allowances.
- (f) "Individual interest in a mobilehome park" means any interest that is fee ownership or a lesser interest that entitles the holder to occupy a lot or space in a mobilehome park for a period of not less than either 15 years or the life of the holder. Individual interests in a mobilehome park include, but are not limited to, the following:
- (1) Ownership of a lot or space in a mobilehome park or subdivision.
- (2) A membership or shares in a stock cooperative, as defined in Section 11003.2 of the Business and Professions Code, or a limited equity housing cooperative, as defined in Section 33007.5 of this code.
- (3) Membership in a nonprofit mutual benefit corporation that owns, operates, or owns and operates the mobilehome park.
- (g) "Low-income resident" means an individual or household that is a lower income household, as defined in Section 50079.5. However, personal assets shall not be considered in the calculation of income, except to the extent that they actually generate income.
- (h) "Low-income spaces" means those spaces in a mobilehome park operated by a resident organization, a qualified nonprofit housing sponsor, or a local public entity that are occupied by low-income residents.
- (i) "Mobilehome park" means a mobilehome park, as defined in Section 18214, or a manufactured home subdivision created by the conversion of a mobilehome park, as defined in Section 18214, including a senior park, to resident ownership or ownership by a qualified nonprofit housing sponsor or local public entity.

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(j) "Program" means the Mobilehome Park Resident Ownership Program.

- (k) "Qualified nonprofit housing sponsor" means a nonprofit public benefit corporation, as defined in Part 2 (commencing with Section 5110) of Division 2 of the Corporations Code, or a limited partnership where all of the general partners are nonprofit mutual or public benefit corporations, that (1) has received its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code, (2) is not affiliated with or controlled by a for-profit organization or individual, (3) has extensive experience with the development and operation of publicly subsidized affordable housing, (4) the department determines is qualified by experience and capability to own and operate a mobilehome park that provides housing affordable to low-income households, and (5) has formal arrangements for ensuring resident participation or input in the management of the park that may include, but not be limited to, membership on the board of directors.
- (1) "Resident organization" means a group of mobilehome park residents who have formed a nonprofit corporation, cooperative corporation, or other entity or organization for the purpose of acquiring the mobilehome park in which they reside and converting the mobilehome park to resident ownership. The membership of a resident organization shall include at least two-thirds of the households residing in the mobilehome park, or in each park of a combination of parks where the residents of two or more parks combine to form a single resident organization. The two-thirds of households in the resident organization at the time of funding the park need not be the same households that were residing in the park when the application for assistance was submitted to the department. A household's membership in the resident organization when the application was submitted to the department shall not be a requirement for that household to receive a loan or assistance under this chapter.
- (m) "Resident ownership" means, depending on the context, either the ownership by a resident organization of an interest in a mobilehome park that entitles the resident organization to control the operations of the mobilehome park for a term of no less than 15 years, or the ownership of individual interests in a mobilehome park, or both.

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1 SEC. 13. Section 50786 of the Health and Safety Code is 2 amended to read:

- 50786. (a) The department shall adopt regulations for the administration and implementation of this chapter.
- (b) The department shall obtain the best available security for loans made pursuant to this chapter. The security may include a note, deed of trust, assignment of lease, or other form of security on real or personal property which the department determines is adequate to protect the interests of the state. To the extent applicable, these documents and any regulatory provisions shall be recorded or referenced in a recorded document in the office of the county recorder of the county in which the mobilehome park is located.
- (c) The degree of continuing regulatory control with respect to park operations and resident loans exercised by the department in making loans pursuant to this chapter shall be commensurate with the level of financial assistance provided and in all cases shall be adequate to protect the state's security interest and ensure the accomplishment of the purposes of the program authorized by this chapter. The regulatory requirements shall be set forth in a regulatory agreement, deed of trust, or other lien, and any violation of these requirements shall be considered a violation of a security document. Where loans are made to a qualifying nonprofit housing sponsor or local public entity, a regulatory agreement shall be recorded against the mobilehome park. This regulatory agreement shall contain provisions limiting occupancy, rents, and park operation for the original loan term. The department may release individual spaces from the regulatory agreement only if they are purchased by residents who occupy them.
- (d) Before providing financing pursuant to this chapter, the department shall require provision of, and approve, at least all of the following:
- (1) Verification at the time of application and prior to funding that at least two-thirds of the households residing in the mobilehome park support the plans for acquisition and conversion of the park.
- (2) Verification that either no park residents shall be involuntarily displaced as a result of the park conversion or the impacts of the displacement shall be mitigated as required under state and local law. For purposes of this requirement, compliance

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with Section 66427.5 of the Government Code shall be conclusively presumed to have mitigated economic displacement.

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- (3) Verification that the conversion is consistent with local zoning and land use requirements, other applicable state and local laws, and regulations and ordinances.
- (4) Projected costs and sources of funds for all conversion activities.
- (5) Projected operating budget for the park during and after the
- (6) A management plan for the conversion and operation of the
- (7) If necessary, a relocation plan for residents not participating that is in compliance with Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code.
- (e) The department shall, to the greatest extent feasible, do all of the following:
- (1) Require participation by cities and counties in loan applications submitted pursuant to this chapter.
- (2) Contract with private lenders or local public entities to provide program administration and to service loans made pursuant to this chapter.
 - (3) Give priority to applications for resident-owned parks.
- SEC. 14. The Department of Housing and Community Development may implement the changes made by this act to Section 50517.5 of the Health and Safety Code for 24 months using guidelines, during which time those guidelines shall not be subject to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).